



**U.S. Department of Justice**

*United States Attorney  
Eastern District of Wisconsin*

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*517 East Wisconsin Avenue*

*Milwaukee, WI 53202*

**PRESS RELEASE**

August 20, 2009

**Milwaukee Drug Investigation Highlighted in National Conspiracy Investigation**

United States Attorney Michelle L. Jacobs issued the following statement concerning the indictments unsealed today in the Northern District of Illinois and the Eastern District of New York, as announced by Attorney General Eric Holder:

“The indictments announced today represent a very significant chapter in the ongoing efforts to eradicate illegal drug trafficking in our community, our country, and internationally. The indictments also are a testament to the cooperation and coordinated work of federal, state, and local law enforcement agencies from across the country and internationally. Pedro and Margarito Flores were originally indicted in the Eastern District of Wisconsin in January of 2005, case number 05-CR-33. Their case has been transferred to the Northern District of Illinois for consolidation with the new indictments. I commend the outstanding work of Assistant United States Attorney Greg Haanstad and the agents from the Milwaukee Offices of the Drug Enforcement Administration, the Internal Revenue Service, and the Wisconsin Department of Justice, Division of Criminal Investigation who investigated and secured the indictment and the arrests of the Flores brothers. Their selfless and dedicated efforts in this case contributed significantly to the national and international investigation leading to today’s indictments.”

Attached are copies of press releases from the United States Department of Justice and the Northern District of Illinois.

The public is reminded that an indictment is only a charge and is not evidence of guilt. A defendant is presumed innocent and is entitled to a fair trial at which the government must prove guilt beyond a reasonable doubt.

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FOR IMMEDIATE RELEASE

Thursday, August 20, 2009

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**Ten Alleged Mexican Drug Cartel Leaders Among 43 Defendants Indicted in Brooklyn and Chicago as Part of Coordinated Strike Against Mexican Drug Trafficking Organizations**

WASHINGTON – Forty-three defendants in the United States and Mexico, including 10 alleged Mexican drug cartel leaders, have been charged in 12 indictments unsealed yesterday and today in U.S. federal courts in Brooklyn and Chicago, the Department of Justice, U.S. Drug Enforcement Administration (DEA) and U.S. Immigration and Customs Enforcement (ICE) announced. The alleged leaders and other high-ranking members of several of Mexico's most powerful drug cartels are charged with operating continuing criminal enterprises or participating in international drug trafficking conspiracies.

"Breaking up these dangerous cartels and stemming the flow of drugs, weapons and cash across the Southwest border is a top priority for this Justice Department," said Attorney General Eric Holder. "The cartels whose alleged leaders are charged today constitute multi-billion dollar networks that funnel drugs onto our streets and what invariably follows is more crime and violence in our communities. Today's indictments demonstrate our unwavering commitment to root out the leaders of these criminal enterprises wherever they may be found. We will continue to stand with our partners in Mexico to dismantle the cartels' insidious operations."

"Realizing that neither of our two countries can win over drug traffickers on its own, we have built up the bilateral cooperation between the United States and Mexico to allow us to combine our investigative and legal resources to dismantle these transnational drug organizations and bring the leaders to justice," said Mexican Attorney General Eduardo Medina Mora. "We can only protect the right of our societies to live in peace and harmony through our governments' mutual trust and shared responsibility."

Three of the suspected leaders were charged in both Brooklyn and Chicago. Joaquin "el Chapo" Guzman-Loera, Ismael "el Mayo" Zambada-Garcia and Arturo Beltran-Leyva, who are allegedly among the most powerful drug traffickers in Mexico, are alleged to be present and former heads of an organized crime syndicate known as the "Sinaloa Cartel" and "the Federation." Each of these three is designated as a Consolidated Priority Organization Target or CPOT by the Organized Crime Drug Enforcement Task Force (OCDETF).

Also charged in the Brooklyn indictments were seven other cartel leaders, including CPOT Ignacio "Nacho" Coronel Villarreal, Hector Beltran-Leyva (Arturo's brother) and Jesus Zambada-Garcia (Ismael's brother), each alleged leaders within the Federation; CPOT Vicente Carrillo Fuentes, the alleged head of the Juarez Cartel; CPOT Luis and

Esteban Rodriguez-Olivera, alleged leaders of Los Gueros; and CPOT Tirso Martinez-Sanchez, the alleged head of his own international drug trafficking organization.

Together, the four Brooklyn and eight Chicago indictments charge that between 1990 and December 2008, Guzman-Loera, Ismael Zambada-Garcia, Arturo Beltran-Leyva and others were responsible for importing into the United States and distributing nearly 200 metric tons of cocaine, additional large quantities of heroin, and the bulk smuggling from the United States to Mexico of more than \$5.8 billion in cash proceeds from narcotics sales throughout the United States and Canada.

The indictments unsealed today collectively seek forfeiture of more than \$5.8 billion in drug proceeds. Also, more than 32,500 kilograms of cocaine have been seized, including approximately 3,000 kilograms seized during the Chicago investigation, approximately 7,500 kilograms seized during the New York investigation and 22,500 kilograms seized previously that were later linked to the activities of the Federation. The indictments also detail seizures of 64 kilograms of heroin and more than \$22.6 million in cash during the course of the investigation.

As part of the coordinated actions, eight defendants have been arrested in the Chicago and Atlanta areas in the last week. Earlier this year, 10 additional defendants, all customers of or couriers for the organizations, were charged separately in Chicago. Five defendants, all New York-based wholesale distributors or logistics coordinators for the cartels, were charged separately in Brooklyn. In all, 58 individuals have been charged in the investigation coordinated between the U.S. Attorneys' Offices in Brooklyn and Chicago. All but one of the defendants face a maximum sentence of life in prison if convicted of the charges against them.

"The indictments announced today are the result of a sweeping national and international effort to stem the flow of drugs across the U.S./Mexico border and into our communities," said Benton J. Campbell, U.S. Attorney for the Eastern District of New York. "We will apply all available resources to win this battle." Mr. Campbell extended his grateful appreciation to ICE and the DEA Task Force in New York, the agencies responsible for leading the Eastern District's investigation, and to the assistance provided by ICE and DEA in Miami, Houston, Mexico and Colombia.

"These indictments are among the most significant drug conspiracy charges ever returned in Chicago," said Patrick J. Fitzgerald, U.S. Attorney for the Northern District of Illinois. "They charge two major international supply organizations with importing many tons of cocaine and large quantities of heroin into the United States, often to wholesale distribution customers in Chicago, as well as to customers in other major cities. The defendants allegedly used practically every means of transportation imaginable to move these large amounts of drugs and to funnel massive amounts of money back to Mexico. I applaud the efforts of the DEA investigators who worked hard to put these cases together." Mr. Fitzgerald also thanked the Internal Revenue Service Criminal Investigation Division agents in Chicago and the U.S. Attorney's Office for the Eastern District of Wisconsin in Milwaukee for their assistance.

"Today's indictments are yet another strike against the leadership of the Mexican drug cartels," said DEA Acting Administrator Michele M. Leonhart. "Our relentless investigations penetrated deep into these pervasive criminal organizations, connecting street operations in U.S. communities like Chicago and New York to the top drug kingpins calling the shots in Mexico. Make no mistake; along with our courageous partners in Mexico, we will break these cartels and pursue their leaders."

"Law enforcement agencies in the Americas are working closer than ever before and setting up a united, borderless offense against drug cartels," said Homeland Security Assistant Secretary for ICE John Morton. "This is a significant step in breaking down the infrastructure of these criminal organizations."

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**U.S. Department of Justice**

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**THREE ALLEGED MEXICAN DRUG CARTEL LEADERS AND TWIN  
BROTHERS WHO RAN CHICAGO-BASED DISTRIBUTION CREW AMONG  
DOZENS INDICTED IN CHICAGO AS PART OF COORDINATED STRIKE  
AGAINST DRUG TRAFFICKERS**

***Chicago-based cell allegedly handled 1,500 to 2,000 kilograms of cocaine per month;  
local indictments seek forfeiture of more than \$1.8 billion in cash proceeds***

CHICAGO —Thirty-six defendants in the U.S. and Mexico, including three alleged Mexican drug cartel leaders, were charged in eight indictments unsealed yesterday and today in federal court in Chicago, federal law enforcement officials announced. The suspected cartel leaders, who allegedly were once allied and now run rival Mexican cartels, and twin brothers who allegedly ran a Chicago based narcotics distribution cell supplied by them, were charged with participating in international drug trafficking conspiracies. The charges bring to 46 the number of defendants who have been charged in a total of 15 federal indictments returned in Chicago since March, including 30 defendants in three major indictments unsealed yesterday and today, when additional federal indictments were also unsealed in Brooklyn charging the same three alleged cartel leaders and others.

The indictments were announced today by Attorney General Eric Holder, who was joined in Washington, D.C., by Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois, and other federal law enforcement officials. In Chicago, the investigation was led by the Drug Enforcement Administration, assisted by the Internal Revenue Service Criminal Investigation Division, the Chicago Police Department, and other federal and local law enforcement agencies.

“These are the most significant drug importation conspiracies ever charged in Chicago,” Mr. Fitzgerald said. “The indictments charge two major international supply organizations with importing many tons of cocaine and quantities of heroin into the United States, often to wholesale distribution customers in Chicago, as well as to wholesalers in other major cities. The defendants allegedly used practically every means of transportation imaginable to move these large amounts of drugs and to funnel massive amounts of money back to Mexico. I applaud the efforts of the DEA investigators who worked hard to put these cases together.” Mr. Fitzgerald also thanked IRS agents in Chicago and the United States Attorney’s Office for the Eastern District of Wisconsin in Milwaukee for their assistance.

Attorney General Holder said: “Breaking up these dangerous cartels and stemming the flow of drugs, weapons and cash across the Southwest Border is a top priority for this Justice Department. The cartels whose alleged leaders are charged today constitute multi-billion dollar networks that funnel drugs onto our streets. What invariably follows these drugs is more crime and violence in our communities. Today’s indictments demonstrate our unwavering commitment to root out the leaders of these criminal enterprises wherever they may be found. We will continue to stand with our partners in Mexico to dismantle the cartels’ insidious operations.”

Gary G. Olenkiewicz, Special Agent-in-Charge of DEA’s Chicago Field Division, which includes agents in Milwaukee who were involved in the investigation, said: “From the streets of Chicago to the Sinaloa Cartel, this investigation covered all aspects of the illegal drug trade. The significant indictments announced today by the Attorney General show the determination and hard work put in by the case agents, prosecutors, and our law enforcement partners in our continuing battle to rid Chicago and this country of illegal drug trafficking.”

Alvin Patton, Special Agent-in-Charge of the IRS Criminal Investigation Division in Chicago, said: “The indictments send an obvious message to those involved in transporting cash proceeds from narcotics trafficking. The IRS will continue to work vigorously with our law enforcement partners locally and throughout the United States to pursue individuals and organizations involved in narcotics activities. The effort here in Chicago is considered a major step forward in our nation’s efforts to combat narcotics crimes.”

Three of the Mexican cartel leaders indicted in Chicago were also charged separately in Brooklyn. They are: **Joaquin “el Chapo” Guzman-Loera, Ismael “el Mayo” Zambada-Garcia** and **Arturo Beltran-Leyva**, who are allegedly among the most powerful drug traffickers in Mexico. The Brooklyn indictment accuses them and others of drug-trafficking activities between 1990 and 2005, while the Chicago indictments charge crimes that occurred between 2005 and December 2008. The Chicago indictments allege that Guzman-Loera and Zambada-Garcia each directed factions of the “Sinaloa Cartel.” These factions allegedly coordinated narcotics trafficking with each other, with other Sinaloa Cartel factions, and with other affiliated cartels in an alliance commonly known as “the Federation,” which at times included a cartel led by Beltran-Leyva. Each of these three defendants is designated as a Consolidated Priority Organization Target or CPOT by the Organized Crime Drug Enforcement Task Force (OCDETF).

Together, the Chicago and Brooklyn indictments charge that between 1990 and December 2008, Guzman-Loera, Zambada-Garcia, Beltran-Leyva and others were responsible for importing into the United States and distributing nearly **200 metric tons** of cocaine, additional quantities of heroin, and the bulk smuggling from the United States to Mexico of more than \$5.8 billion in cash proceeds from narcotics sales throughout the United States and Canada.

In Chicago alone, the three major indictments seek **forfeiture of more than \$1.8 billion**, two vehicles, a semi-tractor, and residences in Romeoville and Palos Hills, and detail the combined seizures of nearly 3,000 kilograms of cocaine, 64 kilograms of heroin and more than \$20.6 million in cash during the course of the investigation. As part of the Chicago investigation, approximately a **ton of cocaine** was seized from the Beltran-Leyva Cartel as a result of three raids in Los Angeles in late 2008, and approximately **two tons of cocaine** were confiscated from the Guzman-Loera and Zambada-Garcia factions as a result of 13 different seizures in Los Angeles and Chicago, most of which also occurred late last year.

As part of the coordinated actions, eight defendants have been arrested in the Chicago and Atlanta areas in the past week. Approximately 15 others were arrested or charged previously, while others are fugitives. All 46 defendants face a maximum sentence of life in prison if convicted of the charges against them.

Two Chicago indictments allege that in approximately early 2008 Beltran-Leyva split his alliance with Guzman-Loera, Zambada-Garcia and the Federation due to various issues, including control of lucrative narcotics trafficking routes into the United States and the loyalty of wholesale narcotics customers, including the twin brothers who allegedly ran the Chicago distribution cell. One indictment charges that Guzman-Loera and Zambada-Garcia, together with seven other high-ranking associates, including one son of each of them, Alfredo Guzman-Salazar (Guzman-Loera's son) and Jesus Vicente Zambada-Niebla (Zambada-Garcia's son, who is in custody in Mexico), coordinated their narcotics trafficking activities to import multi-ton quantities of cocaine from Central and South American countries, including Colombia and Panama, to the interior of Mexico, using various means of transportation, including: Boeing 747 cargo aircraft, private aircraft, submarines and other submersible and semi-submersible vessels, container ships, go-fast boats, fishing vessels, buses, rail cars, tractor-trailers, and automobiles. Then, they allegedly smuggled hundreds of kilograms of cocaine at a time, as well as multi-kilograms of heroin, across the U.S. border to Chicago and throughout the United States.

Guzman-Loera and Ismael Zambada-Garcia allegedly supplied cocaine and heroin to wholesale distributors throughout the United States, including the Chicago distribution cell allegedly headed by twin brothers **Pedro and Margarito Flores**. The twins, together with other members of the "Flores Crew," allegedly received large supplies of cocaine and heroin in both the Chicago and Los Angeles areas, and then distributed thousands of kilograms of cocaine and multi-kilograms of heroin in Chicago and elsewhere. **On average, the Flores Crew allegedly received 1,500 to 2,000 kilograms of cocaine per month**, at times obtaining all or a large portion of that quantity from Guzman-Loera and Zambada-Garcia and the factions of the Sinaloa Cartel they controlled, while also at times obtaining a substantial portion of that quantity from the Beltran-Leyva Cartel. From Chicago, the indictments allege that the Flores Crew sold large quantities of cocaine and heroin to wholesale customers in Cincinnati; Columbus,

Ohio; Detroit; Milwaukee; New York; Philadelphia; Washington, D.C.; Vancouver, British Columbia; and elsewhere.

The Flores twins, who are in U.S. federal custody, were charged in the same Chicago indictment as Guzman-Loera and Zambada-Garcia and seven other co-defendants. Beltran-Leyva was charged in a separate Chicago indictment along with two co-defendants. Both indictments allege that the three cartel leaders and their organizations used various means to evade law enforcement and protect their narcotics distribution activities, including: obtaining guns and other weapons; bribery; engaging in violence and threats of violence; and intimidating with threats of violence members of law enforcement, rival narcotics traffickers and members of their own drug trafficking organizations. Both Guzman-Loera and Zambada-Garcia on one hand, and Beltran-Leyva on the other, allegedly threatened wholesale narcotics distributors, including the Flores brothers, with violence if they engaged in narcotics trafficking with rival cartels, including each other's.

**According to one indictment, Guzman-Loera, Zambada-Garcia and his son, Jesus Vicente Zambada-Niebla, sought to obtain weapons from the United States and discussed using violence against American and/or Mexican government buildings in retaliation for each country's enforcement of its narcotics laws and to perpetuate their narcotics trafficking activities.**

The third major indictment unsealed in Chicago charges 16 members and associates of the Flores Crew with conspiring with the Flores brothers to distribute cocaine and heroin in the Chicago area and elsewhere between 1999 and late 2008. The indictment alleges that the crew used warehouses in Bedford Park and Chicago to unload shipments of narcotics, which then were stored at various locations in Chicago, Justice, Romeoville and Plainfield. The defendants stored and packaged cash proceeds from narcotics sales at various locations in Chicago, Hinsdale, Palos Hills and Plainfield, the indictment alleges.

A total of 16 defendants were charged in 12 additional indictments in Chicago, some returned earlier this year, against alleged wholesale distribution customers of or couriers for the Flores drug trafficking organization. Two of these defendants have pleaded guilty to the charges against them.

The Chicago cases were investigated by the DEA, the IRS Criminal Investigation Division, and the Chicago Police Department, with assistance provided by DEA's National Drug Intelligence Center (NDIC), the High-Intensity Drug Trafficking Area (HIDTA) task force, the U.S. Attorney's Office in Milwaukee and the Milwaukee Police Department; the U.S. Attorney's Office for the Central District of Illinois; the Chicago and Peoria offices of the Federal Bureau of Investigation; the Chicago offices of the Bureau of Alcohol, Tobacco, Firearms and Explosives, U.S. Immigration and Customs Enforcement, the U.S. Marshals Service, the Cook County Sheriff's Department, other state and local law enforcement agencies, and the Justice Department Criminal Division's Office of International Affairs. The investigation was coordinated by the U.S. Attorney's Offices in Chicago and Brooklyn, and with the assistance of the Special Operations Division, comprised of agents, analysts and attorneys from the Justice Department Criminal Division's Narcotic and Dangerous Drug Section (NDDS). Certain

individuals named in indictments unsealed today have also been charged by other U.S. Attorney's Offices around the country and by NDDS.

The cases are being prosecuted by Assistant U.S. Attorneys Thomas Shakeshaft, Michael Ferrara, Greg Deis, Lindsay Jenkins, Renai Rodney, Angel Krull and Halley Guren. Assistant U.S. Attorney Greg Haanstad in Milwaukee has also provided valuable assistance.

An indictment contains only charges and is not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

A list of the cases and defendants indicted in Chicago is attached.

**United States v. Guzman-Loera, et al. (09 CR 383)**  
**Judge Ruben Castillo**

**JOAQUIN GUZMAN-LOERA**, 54, aka "El Chapo," and "Chapo Guzman"  
**ISMAEL ZAMBADA-GARCIA**, 59, aka "El Mayo," and "Mayo Zambada"  
**JESUS VICENTE ZAMBADA-NIEBLA**, 34, aka "Vicente Zambada-Niebla," "Vicente Zambada," "Mayito" and "30"  
**ALFREDO GUZMAN-SALAZAR**, 26, aka "Alfredillo"  
**ALFREDO VASQUEZ-HERNANDEZ**, 54, aka "Alfredo Compadre"  
**FIRST NAME UNKNOWN / LAST NAME UNKNOWN**, aka "Juancho"  
**GERMAN OLIVARES**, 47  
**FELIPE LAST NAME UNKNOWN**, 35  
**TOMAS AREVALO-RENTERIA**, 40  
**PEDRO FLORES**, 28  
**MARGARITO FLORES**, 28

**United States v. Beltran-Leyva, et al. (09 CR 672)**  
**Judge Milton Shadur**

**ARTURO BELTRAN-LEYVA**, 47, aka "AB-L" and "El Barbas"  
**MANUEL LAST NAME UNKNOWN**, aka "Manny" and "El Musico"  
**MANUEL FERNANDEZ-NAVARRO**, aka "La Puerca"

**United States v. Perez, et al. (09 CR 669)**  
**Judge James Zagel**

**CESAR PEREZ**, 30, of Romeoville, "Nas" and "Nose"  
**ROLANDO VILLASENOR**, 33, of Chicago, aka "Rollie" and "Dunkey"  
**JORGE LLAMAS**, 32, of Chicago, aka "George" and "Sosa"  
**FRANCISCO ESPINOZA**, 27, of Riverside, aka "Little Man," "Little Hand" and "Polo"  
**ANTONIO AGUILERA**, 35, of Oak Lawn, aka "T-Bag" and "T"  
**DANIEL TORRES**, 35, of Cicero, aka "Danny," "Dirty," and "Dirt"  
**FERNANDO VILLASENOR**, 27, of Chicago, aka "Pugsley" "Pugs," and "Fatboy"  
**AMMER KARTOUM**, 30, of Oak Lawn, aka "ATA"  
**CARLOS HISHMEH**, 32, of Oak Lawn  
**JUAN ROCHA**, 36, of Palos Hills  
**HECTOR SIMENTAL**, 26, of Chicago, aka "Monkey,"  
**GERARDO TORRES**, 32, of Chicago and Mission, Tex., aka "Nino" and "Lil' Dirt"  
**OMAR LAST NAME UNKNOWN**, aka "Jose Gaona" and "O"  
**JESUS MEDRANO**, 32, of Cicero, aka "Chico" and "Rammy"  
**SANTOS PATINO**, 51, of Chicago, aka "San"  
**THOMAS GNIADEK, JR.**, 27, of Naperville, aka "White Boy"

**United States v. Rafati and Zaid (09 CR 420)**

**Judge Joan Gottschall**

**MALEK RAFATI**, 30, of Burbank

**TAHA ZAID**, 23, of Oak Lawn

**United States v. Jones (09 CR 670)**

**Judge Matthew Kennelly**

**TOMMIE JONES**, 50, of Orland Hills, aka “Mike Jones,” “Old Man Jones,” and “Grandpa”

**United States v. Murray (09 CR 674)**

**Judge Robert Dow**

**KILEY MURRAY**, 37, of Ellenwood, Ga., aka “Cali,” “Hollywood,” and “Kal”

**United States v. Brown (09 CR 671)**

**Judge James Zagel**

**FRANKLIN BROWN**, 42, of Matteson, aka “Skinny”

**United States v. Collins (09 CR 673)**

**Judge Virginia Kendall**

**RON COLLINS**, 35, of Calumet Park, aka “Ron Ron”

**United States v. Buckner (08 CR 989)**

**Judge Suzanne Conlon**

**ELLIOTT D. BUCKNER**, 49, of Chicago

**United States v. Price and Turner (08 CR 996)**

**Judge John Darrah**

**LARONE D. PRICE**, 37, of Chicago

**JUSTIN TURNER**, 29, of Chicago

**United States v. McDowell (08 CR 999)**

**Judge John Grady**

**DWAWNDRIC MCDOWELL**, 37, of Chicago

**United States v. Rowe and Brown (08 CR 1009)**

**Judge Robert Dow**

**LYNN ROWE**, 36, of Chicago

**TERRENCE BROWN**, 39, of Chicago

**United States v. Baker and Smith (08 CR 1053)**

**Judge George Lindberg**

**KEVIN BAKER**, 39, of Columbus, Ohio

**RONALD SMITH**, 41, of Pickerington, Ohio

**United States v. Baez-Layva (08 CR 981)**

**Judge Ruben Castillo**

**GERARDO BAEZ-LEYVA**, 34, of Northlake

**United States v. Carillo (08 CR 982)**

**Judge Ruben Castillo**

**ARAN CARILLO**, 27, of Chicago